

Fiscal Resources

Funds to support the defense strategy are programmed, budgeted, authorized, appropriated, obligated, and finally expended to cover Service investment and operational requirements. Total Obligational Authority (TOA) refers to the total financial resources available. Budget Authority (BA) refers to financial resources appropriated by Congress. The DoD Planning, Programming, and Budgeting System establishes procedures for the allocation of DoD TOA. Figure 5-1 displays the BA for all of DoD from FY95 through the FY01 Budget request. The FY01 level of \$292.2 billion represents a level profile, in constant dollars, from the FY00 Congressionally approved funding level.

FIGURE 5-1: BUDGET AUTHORITY

FY95	FY96	FY97	FY98	FY99	FY00	FY01
254.2	255.1	254.2	259.1	272.7	284.2	292.2
\$ Billions						

There is a general perception that defense spending has increased over the past few years. However, figures 5-2 and 5-3 show otherwise. Figure 5-2, which shows the long-term trend in budget authority for the Department of Defense, depicts more than a decade of real decline in defense spending. Defense spending is now 31 percent below the FY85 peak year and on a par with the FY75 post Vietnam level.

FIGURE 5-2: DOD BUDGET AUTHORITY TREND (\$B)



Viewed in terms of the percentage of total Federal spending, figure 5-3 shows how Defense spending has been on a downward trend since the early 1960's where it reached a level of over 50 percent of the Federal Budget in FY62. Since then mandatory spending has increased to over 50 percent of total outlays and DoD has dropped to 16 percent. DoD Budget outlays are now significantly lower than non-DoD discretionary funding.

FIGURE 5-3: BUDGET TRENDS

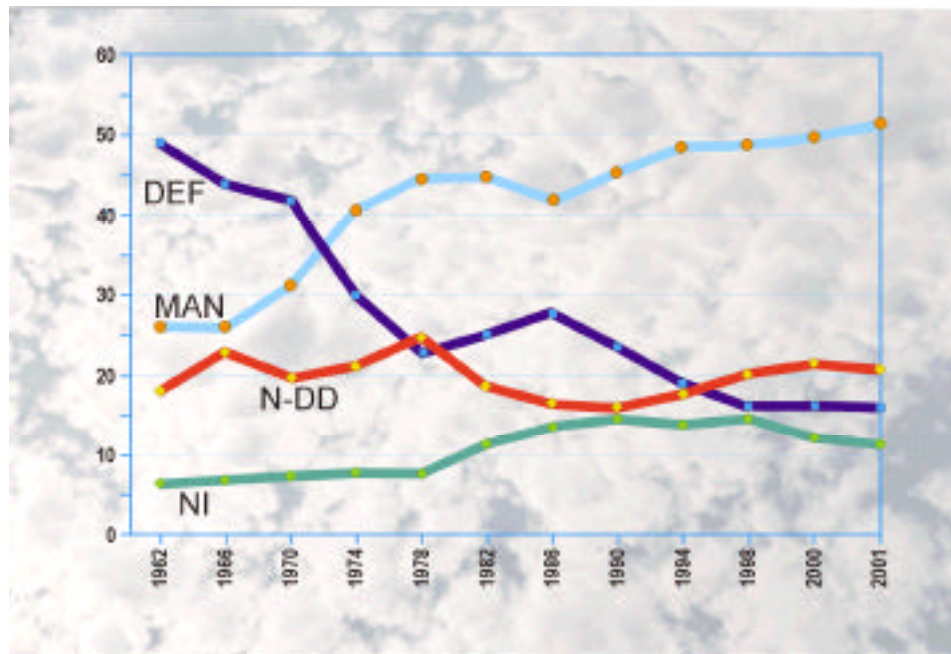


Figure 5-4 is a comparison of the relative amount of resources provided to each Service. Although the Marine Corps share is comparatively small, it leads the DoD in converting every dollar into credible combat power.

FIGURE 5-4: SERVICE COMPARISON OF TOA IN THE FY01 DOD BUDGET (FYDP \$B)

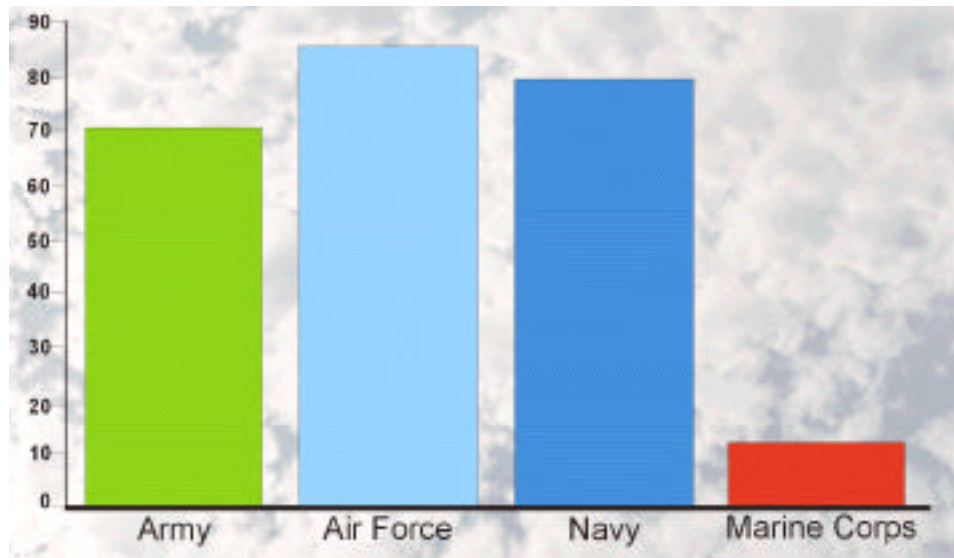


Figure 5-5 depicts the percentage of DoD funds budgeted by each Service. Each Service's TOA is subsequently divided into appropriations.

FIGURE 5-5: DOD FY01 TOA SHARES

